

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE STRONGHOLD DIGITAL MINING,
INC. STOCKHOLDER DERIVATIVE
LITIGATION

Lead Case No. 1:23-cv-07840-RA-GS

JEFF PARKER and TIAN YANG, Derivatively
on Behalf of STRONGHOLD DIGITAL
MINING, INC.,

Case No. 1:23-cv-10028-RA-GS

Plaintiffs,

v.

GREGORY A. BEARD, WILLIAM B.
SPENCE, RICARDO R.A. LARROUDE,
SARAH P. JAMES, THOMAS J. PACCHIA,
MATTHEW J. SMITH, and THOMAS R.
TROWBRIDGE, IV,

Defendants,

and

STRONGHOLD DIGITAL MINING, INC.,

Nominal Defendant.

(Caption continues on next page.)

GLENN BRUNO, Derivatively on Behalf of
Nominal Defendant STRONGHOLD DIGITAL
MINING, INC.,

Plaintiff,

v.

GREGORY A. BEARD, WILLIAM B.
SPENCE, RICARDO R.A. LARROUDE,
SARAH P. JAMES, THOMAS J. PACCHIA,
MATTHEW J. SMITH, and THOMAS R.
TROWBRIDGE, IV,

Defendants,

and

STRONGHOLD DIGITAL MINING, INC.,

Nominal Defendant.

Civil Action No. 1:24-cv-798-JGLC-GS

STIPULATION AND [PROPOSED] ORDER CONSOLIDATING ACTIONS

WHEREAS, on September 5, 2023, Plaintiff Tom Wilson (“Wilson”) filed a Verified Stockholder Derivative Complaint in this Court captioned *Wilson v. Beard, et al.*, Case No. 1:23-cv-7840-RA on behalf of Stronghold Digital Mining, Inc. (“Stronghold” or the “Company”) against Gregory A. Beard, William B. Spence, Ricardo R. A. Larroudé, Sarah P. James, Thomas J. Pacchia, Matthew J. Smith, and Thomas R. Trowbridge, IV (the “Individual Defendants” and, together with Stronghold, “Defendants”) for violations of the Securities Exchange Act of 1934 (the “Exchange Act”), breach of fiduciary duty, waste of corporate assets, abuse of control, gross mismanagement, and unjust enrichment (the “*Wilson Action*”);

WHEREAS, on September 15, 2023, Plaintiff Cristian Navarro (“Navarro”) filed a Verified Stockholder Derivative Complaint in this Court captioned *Navarro v. Beard, et al.*, Case

No. 1:23-cv-8174-RA on behalf of Stronghold against substantially the same set of Individual Defendants as named in the *Wilson* Action based on substantially similar facts and circumstances (the “*Navarro* Action”);

WHEREAS, on October 24, 2023, the Court entered an order (the “Consolidation Order”) consolidating the *Wilson* and *Navarro* Actions into an action styled *In re Stronghold Digital Mining, Inc. Stockholder Derivative Litigation*, Lead Case No. 1:23-cv-07840-RA-GS (the “Consolidated Action”) and appointing The Brown Law Firm, P.C. (“Brown Law”) and Lifshitz Law PLLC (“Lifshitz Law”) as Co-Lead Counsel representing plaintiffs in the Consolidated Action;

WHEREAS, the Consolidation Order also applied to “each related shareholder derivative action involving the same or substantially the same allegations, claims, and defendants, and arising out of the same, or substantially the same, transactions or events as the Consolidated Action, that is subsequently filed in, removed to, reassigned to, or transferred to this Court”;

WHEREAS, on November 14, 2023, plaintiffs Jeff Parker (“Parker”) and Tian Yang (“Yang”), represented by separate counsel, filed a shareholder derivative action in this Court captioned *Parker et al. v. Beard, et al.*, Case No. 1:23-cv-10028-RA (the “*Parker* Action”) on behalf of Stronghold against substantially the same set of Individual Defendants as named in the Consolidation Action based on substantially similar facts and circumstances;

WHEREAS, on November 20, 2023, the parties to the Consolidated Action filed a Stipulation and Proposed Order to Stay the Consolidated Action, which was entered by the Court on November 21, 2023 (the “Stay Order”);

WHEREAS, the Stay Order contemplated that all proceedings and deadlines in the Consolidated Action, including discovery and Defendants’ obligation to move, answer, or

otherwise respond to the complaints in the Consolidated Action should be stayed pending resolution of the motion for class certification in the Securities Class Action;¹

WHEREAS, on November 30, 2023, the Court accepted the *Parker* Action as related to the Consolidated Action;

WHEREAS, on December 20, 2023, the Court entered an Order Governing the Production and Exchange of Confidential Material in the Consolidated Action (the “Confidentiality Agreement”);

WHEREAS, on February 2, 2024, plaintiff Glenn Bruno (“Bruno”), also represented by separate counsel, having previously made a litigation demand on the Board to pursue claims against certain officers and directors, filed a shareholder derivative action in this Court captioned *Bruno v. Beard, et al.*, Case No. 1:24-cv-00798-JGLC-GS (the “Bruno Action”) on behalf of Stronghold against substantially the same set of Individual Defendants as named in the Consolidation Action based on substantially similar facts and circumstances;

WHEREAS, on February 8, 2024, Defendants executed waivers of service, such that the deadline for Defendants to answer, move, or otherwise respond to the Bruno Complaint was April 8, 2024;

WHEREAS, on March 22, 2024, the parties to the *Bruno* Action filed a Stipulation and Proposed Order contemplating that Defendants’ time to answer, move or otherwise respond to the Complaint in the *Bruno* Action be stayed pending a ruling on consolidation with the Consolidated Action, which was entered by the Court on March 25, 2024;

WHEREAS, the Defendants have not yet been served with the complaint filed in the *Parker* Action;

¹ *Mark Winter v. Stronghold Digital Mining, Inc., et al.*, Case No. 1:22-cv-03088-RA.

WHEREAS, the Parties have conferred regarding consolidation, and all parties agree that, in order to avoid unnecessary duplication of effort and potentially conflicting rulings, and to conserve the Court's and Stronghold's resources, the *Parker* and *Bruno* Actions should be consolidated with and into the Consolidated Action for all purposes, including pretrial proceedings and trial;

WHEREAS, the parties have conferred regarding a schedule going forward, and all parties agree that plaintiffs Parker, Yang, and Bruno will be bound by the Consolidation Order and Stay Order in the Consolidated Action and subject to the same terms;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by the undersigned parties (the "Parties"), through their undersigned counsel, subject to approval of the Court that:

1. Counsel is authorized by the Defendants to accept on their behalf service of the complaint filed in the *Parker* Action and have accepted such service, with service deemed to have taken place as of the signing of this Stipulation.

2. The *Parker* and *Bruno* Actions are hereby consolidated with and into the Consolidated Action for all purposes, including pre-trial proceedings and trial as contemplated by the terms of the Consolidation Order.

3. Defendants shall have no obligation to answer, move, or otherwise respond to the complaint filed in the *Parker* or *Bruno* Actions.

4. Plaintiffs Parker, Yang, and Bruno will be considered parties to and shall be bound by the Confidentiality Agreement.

5. Within fifteen (15) days after resolution of the Motion for Class Certification in the Securities Class Action, the Parties will meet and confer and provide a proposed scheduling

order governing further proceedings in the Consolidated Action, including the date by which Defendants must answer, move, or otherwise plead, and the date for a case management conference.

Dated: April 18, 2024

LIFSHITZ LAW PLLC

/s/ Joshua M. Lifshitz

Joshua M. Lifshitz
1190 Broadway
Hewlett, NY 11557
Telephone: (516) 493-9780
Facsimile: (516) 280-7376
Email: jlifshitz@lifshitzlaw.com

Co-Lead Counsel for the Consolidated Action

BRAGAR EAGEL & SQUIRE, P.C.

/s/ Melissa A. Fortunato

Melissa A. Fortunato
J. Brandon Walker
810 Seventh Avenue, Suite 620
New York, NY 10019
Telephone: (212) 308-5858
fortunato@bespc.com
walker@bespc.com

Counsel for Plaintiffs Jeff Parker and Tian Yang

THE BROWN LAW FIRM, P.C.

/s/ Timothy Brown

Timothy Brown
Saadia Hashmi
767 Third Avenue, Suite 2501
New York, NY 10017
Telephone: (516) 922-5427
Facsimile: (516) 344-6204
Email: tbrown@thebrownlawfirm.net
Email: shashmi@thebrownlawfirm.net

Co-Lead Counsel for the Consolidated Action

HERMAN JONES LLP

/s/ Serina M. Vash

Serina M. Vash
153 Central Avenue, # 131
Westfield, NJ 07090
(404) 504-6516
svash@hermanjones.com

John C. Herman
jherman@hermanjones.com
3424 Peachtree Road, N.E., Suite 1650
Atlanta, GA 30326
(404) 504-6555

Counsel for Plaintiff Glenn Bruno

(Signatures continue on following page.)

VINSON & ELKINS LLP

/s/ Marisa Antonelli

Marisa Antonelli
1114 Avenue of Americas
New York, NY 10036
Telephone: (212) 237-0000
Facsimile: (212) 237-0100
Email: mantonelli@velaw.com

Jeffrey Crough
2001 Ross Avenue, Suite 3900
Dallas, TX 75201
Telephone: (214) 220-7700
Facsimile: (214) 220-7716
Email: jcrough@velaw.com

*Attorneys for the Individual Defendants
and Nominal Defendant Stronghold*

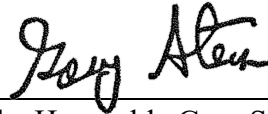
Dated: April 23, 2024

**FAEGRE DRINKER BIDDLE &
REATH LLP**

/s/ Sandra D. Grannum

Sandra D. Grannum
1177 Avenue of the Americas, 41st Floor
New York, NY 10036-2714
Telephone: (212) 248-3140
Email: Sandra.grannum@faegredrinker.com

*Attorneys for Defendant Ricardo R.A.
Larroudé*



The Honorable Gary Stein
United States Magistrate Judge

The parties' joint motion to consolidate is GRANTED. Case Nos. 1:23 Civ. 10028 (RA) (GS) and 1:24 Civ. 798 (RA) (GS) shall be consolidated under Case No. 23 Civ. 07840 (RA) (GS). The Clerk of Court is respectfully directed to keep each of these cases open.